

Service Date: May 1, 2000

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF the Application of)	
Midvale Water Service, Eureka, Montana, for)	UTILITY DIVISION
Approval of Transfer of Assets and)	
Operating Responsibilities to)	DOCKET NO. D99.12.276
Midvale Water and Sewer District)	ORDER NO. 6245

FINAL ORDER

Background

1. On December 16, 1999, Midvale Water Service, Inc. (Applicant), Eureka, Montana, filed a petition with the Montana Public Service Commission (Commission) requesting that the Commission authorize the sale and transfer of the assets and operating responsibilities to Midvale Water and Sewer District. According to the Application, water rates will not be increased as a result of the approval of the sale by the Commission.

2. On January 27, 2000, the Commission issued a Notice of Application and Opportunity to Intervene and Comment, which was sent to the Montana Consumer Counsel and local newspapers. The Notice gave interested parties until February 15, 2000, to request a hearing or submit protests regarding the Application.

3. The Commission has received no protests or requests for public hearing, and therefore will not schedule a public hearing.

Findings of Fact

4. The parties represent that there will be no changes in the operation of the utility. The Application indicates no threat to the adequacy or availability of service to the utility's customers.

5. This Application is for approval of a sale and transfer of the ownership of Midvale Water Service, Inc., including the assets and operating responsibilities, and will not result in an increase as a result of the approval of the sale and transfer. The Applicant, upon completion of the transfer, will be self-governing and can modify rates as necessary.

6. Midvale Water and Sewer District stated it is financially fit and capable of providing reliable service and acquiring and improving utility facilities as needed. A letter to the Commission dated April 11, 2000, from the USDA, Rural Development, states that it approved a \$519,200 loan and a \$176,000 grant for a total of \$695,200 to the Midvale Water and Sewer District. This letter provides that the intended use of these funds is to purchase the water system for \$295,000 and the remainder for upgrading the system.

7. Upon Commission approval of the sale and transfer, Midvale Water and Sewer District intends to assume ownership and responsibility of operations on May 4, 2000.

CONCLUSION OF LAW

1. The Montana Public Service Commission has jurisdiction over privately owned water utilities, pursuant to its general regulatory and supervisory powers. § 69-3-102, MCA.

2. Midvale Water Service, Inc., has been a public utility subject to the Commission's jurisdiction. § 69-3-103, MCA.

3. The Commission has the general power to do all things necessary and convenient in the exercise of its power under Title 69, Chapter 3, and has the power to regulate the manner of all investigations and hearings of the public utilities before it. § 69-3-103, MCA.

4. Midvale Water and Sewer District has demonstrated it is financially fit and capable of providing reliable service and acquiring and improving utility facilities as needed.

ORDER

IT IS HEREBY ORDERED THAT:

1. Midvale Water Service, Inc., is hereby authorized to transfer its assets and operating responsibilities to the Midvale Water and Sewer District.

2. The Commission issues this order as its final order closing this docket and terminating its jurisdiction over Midvale Water Service, Inc., as a privately owned public utility.

DONE IN OPEN SESSION this 18th day of April, 2000, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY MCCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

GARY FELAND, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.